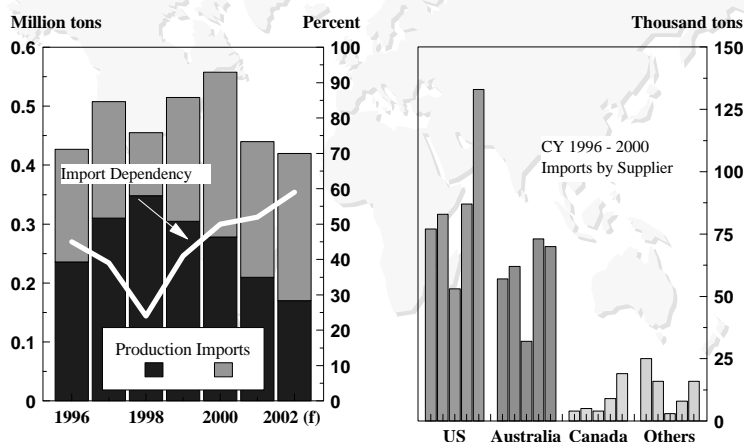


Korea's Cattle and Beef Situation

	1996	1997	1998	1999	2000	2001 (p)	2002 (f)
Cattle (1,000) head							
Total Supply*	4,258	4,417	4,229	3,593	3,144	2,800	2,615
Slaughter	850	1,125	1,282	1,095	998	755	610
Beef (1,000 tons; carcass weight equivalent)							
Production	236	310	348	305	278	210	170
Beginning stocks	7	5	33	61	66	79	40
Imports	191	198	107	210	280	230	250
Consumption	429	480	427	510	545	479	430

* Total supply = beginning inventories + calf crop + imports

Korea's Beef Import Dependency Rises to Record Levels as Production Falls While U.S. Faces Challenges from Old and New Competitors



Korea's beef production in 2002 is forecast to fall by 19 percent to 170,000 tons. Although the Korean Government announced in April 2001 a new multi-year \$1.8 billion program to support Korea's cattle industry, the impact is expected to be minimal as imports may now more freely enter the domestic market. Korea's discriminatory dual retail system for imported and domestic beef was repealed on September 10, doing away with decade-old requirements for separate signage, storage, and display facilities for imported beef. A more open trade system is expected to lead to a recovery of Korean beef imports in 2002 with imports expected to rise by 9 percent to 250,000 tons. Korean buyers, however, are price sensitive, and they are increasingly looking to Australia and Canada to meet their market needs.